

Adopt Regulations 2303, 3020, 3021, 3301, 3302, 3501, 3502, 4105, 4901 and 4902; amend regulation sections 1124, 1177, 1178, 1248, 1271, 1332, 1335, 1422, 1470, 2250, 2255, 2343, 2431, 2432, 2500, 2570, 4026, 4027; and repeal regulation sections 2344, 2345, and 2346 pertaining to
SPECIAL TAXES LAWS

INITIAL STATEMENT OF REASONS
PLAIN ENGLISH OVERVIEW
NON-CONTROLLING SUMMARY

The Property and Special Taxes Department, in addition to administration of Property Tax, administers the Special Tax Laws. Many of these laws contain similar administrative provisions. Proposed Regulations 4901 and 4902 concerning record keeping requirements and relief from liability under specified circumstances, clarify the law and make consistent the requirements on taxpayers among the various Special Tax Laws programs. Under each of the Special Tax Laws existing regulations, the proposed administrative regulations in new Chapter 9.9 will be cross-referenced.

Discussion of Record Keeping Requirements (Proposed Regulation 4901) and Relief from Liability (Proposed Regulation 4902)

The Property and Special Taxes Department believes that it would ease the taxpayers' burdens of compliance with multiple tax laws if the administrative provisions in each of the Special Tax Laws administered by the Board imposed the same or substantially the same requirements. Thus, if the statutory record keeping requirements are the same for each of the Special Tax Laws administered, then the regulations clarifying those requirements should also be substantially the same. For that reason, the proposal adopts section 4901 on Records and section 4902 on Relief from Liability, which will apply to all of the Special Tax Laws programs in the Property and Special Taxes Department, listed on the chart attached to this notice as Exhibit A. The language of section 4901 is substantially the same as the Sales and Use Tax Regulation section 1698 (Records) and the language of section 4902 is substantially the same as the Sales and Use Tax Regulation section 1705 (Relief from Liability). Not only will the proposed changes enhance consistency among the tax programs as currently administered by the Board, they will facilitate maintenance of consistent and clear regulations in the future. When future regulatory changes are made to the Sales and Use Tax regulations concerning record keeping or relief from liability, the same changes can be made by amending the two Special Tax Laws administrative regulations, instead of amending sixteen record keeping regulations and sixteen relief from liability regulations.

The changes proposed are explained section by section on the chart attached hereto as Exhibit A. The Board proposes the following changes in Title 18, Division 2 of the California Code of Regulations that it will adopt regulations 2303, 3020, 3021, 3301, 3302, 3501, 3502,

4105, 4901 and 4902, amend regulations 1124, 1177, 1178, 1248, 1271, 1332, 1335, 1422, 1470, 2250, 2255, 2343, 2431, 2432, 2500, 2570, 4026, 4027, and repeal regulations 2344, 2345, and 2346 in Title 18 of Division 2 of the California Code of Regulations.

The laws affected are sixteen separate laws under which the Board administers and collects twenty-five separate taxes and fees.¹

Attachment

Sptxadminregsrn.doc
11/25/02

¹ Alcoholic Beverage Tax, California Constitution Article XX, Section 22; Revenue and Taxation Code Sections 32001-32557; Ballast Water Management Fee, Public Resources Code Sections 71200-71271; Revenue and Taxation Code Sections 44000-44008, 55001-55381; Childhood Lead Poisoning Prevention Fee, Health and Safety Code Section 105310; Revenue and Taxation Code Sections 43001-43651; Cigarette and Tobacco Products Tax, California Constitution Article XIII B; Revenue and Taxation Code Sections 30001-30481; Diesel Fuel Tax, Revenue and Taxation Code Sections 60001-60709; Emergency Telephone Users Surcharge, Revenue and Taxation Code Sections 41001-41176; Energy Resources Surcharge, Revenue and Taxation Code Sections 40001-40216 ;

Hazardous Substances Tax, Revenue and Taxation Code Sections 43001-43651; Integrated Waste Management Fee, Revenue and Taxation Code Sections 45001-45984; Motor Vehicle Fuel Tax, California Constitution Article XIX; Revenue and Taxation Code Sections 7301-8526; Natural Gas Surcharge, Public Utilities Code Sections 890-900; Revenue and Taxation Code Sections 55001-55381; Occupational Lead Poisoning Prevention Fee, Health and Safety Code Section 105190; Revenue and Taxation Code Sections 43001-43651; Oil Spill Response, Prevention, and Administration Fees, Revenue and Taxation Code Sections 46001-46751; California Tire Fee, Public Resources Code Sections 42860-42895; Revenue and Taxation Code Sections 55001-55381; Underground Storage Tank Maintenance Fee, Revenue and Taxation Code Sections 50101-50162; Use Fuel Tax, Revenue and Taxation Code Sections 8601-9355.